



ANNUAL REPORT OF THE PRESIDENT FOR THE YEAR ENDED 31 DECEMBER 2018

President: Geoff Taylor

Senior Vice-President: Naadir Agherdien

Second Vice-President: Martin Saaiman

Report of the President:

Formed in 1909, the SAGA is now in its 111th year. The most tumultuous changes in the organisation's history have been condensed into the last 3 of those 111 years.

The dramatic changes are necessary to ensure the long-term survival and prosperity of the governing bodies of SA amateur golf, as our demographics change, as our market dynamics transform and as our local and international economic conditions toughen.

Strategy Fulfilment & the Realisation of GolfRSA

In 2015 the SAGA and Womens Golf South Africa (WGSA) agreed the parameters and environmental conditions necessary to take amateur golf forward, to ensure its viability and sustainability and to excel on the world stage in the future.

The new not-for-profit company, GolfRSA, was formed to be the umbrella organisation and mandated to amalgamate, manage, operate and deliver all the strategic objectives and goals of the SAGA and WGSA in an agile, business-like manner, free of the constraints that restrain the SAGA and WGSA.

A primary goal of GolfRSA is to diminish the systemic risk in the organisation by diversifying the sources of income and increasing the flow of funds from sponsors and partners, and secondly by reducing cost in the organization as far as is practically possible. GolfRSA is a professional company run by professionals to nurture and grow the interests of amateur golf, for and on behalf of the SAGA and WGSA.

GolfRSA is ringing in the changes necessary to build a proper foundation upon which the SAGA and other amateur golf bodies can grow and excel.

The SAGA and GolfRSA Business Plan

The SAGA business case to the period ending 2021 is centered on the formation of GolfRSA and its ability to unlock the latent value in amateur golf by realising operational efficiencies, commercialising the properties belonging to the SAGA and WGSA and maximising commercial opportunities to which the SAGA and WGSA can provide entree.

The business case is premised on the net funding by the SAGA and WGSA of the formation of GolfRSA in the first three year cycle at least, encompassing 2016, 2017 and 2018 (the first cycle actually includes funding for the second 6 months of 2015, due to time that was lost for various reasons).

In the second three-year cycle of 2019, 2020 and 2021 GolfRSA must be generating suitable surpluses in order

to fund all its operations and rebuild the SAGA and WGSA reserves.

The SAGA annual financial statements for 2018 show an actual surplus of R2,840m, before any fixed or variable costs, overhead costs or general infrastructure costs are added back.

But being the major shareholders of GolfRSA, the SAGA should rather be looking at the GolfRSA consolidated annual financial statements for a clearer view on the financial health of GolfRSA and its consolidated accounts.

The 2018 annual financial statements for GolfRSA, after consolidating SAGA, WGSA and GolfRSA accounts will show an overall deficit of approximately R0,590m. This is a significant improvement on the 2017 financial performance, which produced a deficit of R3,853m. The anticipated deficit for the 2019 financial year is R0,149m as that budget's worst-case scenario, again a major improvement on the previous two years. I am confident that 2019 will produce a surplus.

Being the major shareholder of GolfRSA, the SAGA has had to use its reserves to fund the start-up operations of GolfRSA. The total funding assigned to GolfRSA in the 2018 set of accounts for the period July 2015 to December 2018 (42 months) is R9,468m, a rate of R0,225m per month on average. GolfRSA has been criticised for cutting costs elsewhere in order to pay for salaries. What must not be forgotten is that almost all GolfRSA's employees used to work for the SAGA and WGSA, which each used to account for and were responsible for their costs separately. These costs are now grouped under the GolfRSA set of accounts and are not incremental costs. I am comfortable that the cost for team of 7 resources is within acceptable parameters and can be covered by the operations of GolfRSA in the near future.

In summary, the implementation of the GolfRSA strategic objective to ensure the long-term viability and sustainability of amateur golf and the administration thereof, is on schedule time-wise and financially. The management of the company is sound and the Board of Directors, under the chairmanship of Mr Johann Rupert, is in place and in a good position.

Other Key Amateur Golf Bodies

GolfRSA is mandated to, as far as practically possible, unite all key bodies that operate in the amateur golf space under GolfRSA. These organisations would include the South African Golf Development Board (SAGDB), the South African Disabled Golf Association (SADGA) and the South African Deaf Golf Association.

GolfRSA has initiated the legal work required to bring about the changes to the existing MOI that will enable the SAGDB and SADGA to associate with GolfRSA. It is anticipated that the new MOI will be adopted in 2019.

Government Relations

The government, via its ministry the Department of Sports and Recreation (SRSA) and its agency SASCOC are completely aware of the developments happening at the SAGA and WGSA with the formation and propagation of GolfRSA.

We enjoy good relations with SRSA and SASCOC.

GolfRSA Operations

GolfRSA employs 9 resources, plus a CEO, most of whom were previously employed by either the WGSA or the SAGA. All staff are now employed by GolfRSA, but not all are full-time employees

Social Responsibility and Transformation of Golf Development and transformation of golf and the industry it creates is a very high priority for the SAGA.

Greg De Doncker, GolfRSA's full-time transformation officer, has been leading the development of transformation charters and balanced scorecards for golf unions and clubs around the country. This includes the transformation charter for WGSA.

The SAGA transformation charter and balance scorecard has been deployed at union level and is accessible via the GolfRSA website.

External Communications

While outward communications from the SAGA leadership team to its constituents remains poor, the implementation of improved communications on a structured basis, particularly through the digital social media channels. The efforts of Lali stander and Brendan Barratt of GolfRSA are acknowledged. The newly formed communication portfolio subcommittee, headed by Graeme Morrison of Mpumalanga Golf Union, has helped structure and streamline communication.

USGA Course Rating (with Slope) and Handicap Index System

The SAGA adopted the USGA method of calculating course rating - a significantly more complex but superior system that is far more equitable and accurate method than the one previously employed.

The USGA course rating system is required as the platform upon which the new world handicapping system (WHS) will calculate handicaps, and which will go live in South Africa on 1 January 2020.

01 September 2018 brought in the launch of the new method used to calculate course rating and consequently calculate a handicap index.

Due to the efforts of small but highly effective teams of course raters – mostly volunteers – that assembled around the country, all 462 courses in South Africa were re-rated using the new methodology in time for the launch on 01 September 2018. Our thanks are extended to all the volunteer raters who gave of themselves to complete this project, to Mr Mike McGrath of HNA who provided resources crucial to the success of this project, to Mr Eric Lefson for embracing the project and helping the project team to achieve the deliverables by the given date, and finally a massive thank you to Ms Wimpie du Plessis who voluntarily took on the project management, coordination and execution of the project, not only to ensure that it was delivered on time, but also that the necessary communications were received by the unions, golf clubs and affiliated golfers in a timely and effective manner.

The golfing fraternity adopted the new system and handicap index system with such ease and without any significant hitches.

The South African Strokeplay and Amateur Championships

South Africa's pre-eminent amateur Championships, the Strokeplay and the SA Amateur, are highly regarded internationally and are competed for at the highest level, attracting top-level international players.

- 2018 SA Strokeplay Championship
Winner : Oliver Gillberg (Sweden)
- 2018 SA Amateur Championship
Winner : Deon Germishuys

Junior Golf

Junior golf but been run under the auspices of the SAGA since only June 2011 and it has flourished and grown in stature grown since.

Such is the depth of our talent in this category that we were able to send top players to the UK on a trip with the GolfRSA National Squad and still field a team strong enough to ensure a win in the All Africa Junior Golf Championship, thereby qualifying for the Toyota Junior Golf World Cup tournament held in Japan.

Team South Africa finished a creditable 5th place in the Toyota Junior golf World Cup tournament, ahead of luminary countries such as the United States and Sweden.

In July 2018, showing his burgeoning talent, Martin Vorster won the 2018 R&A Junior Open

Championship, the first that a South African has won this revered trophy Africa.

GolfRSA National Squad

The juniors in the GolfRSA National Squad campaigning in the UK were not to be outdone and some outstanding results were achieved in the summer of 2018:

- England Strokeplay Championship (Brabazon)
2nd : Wilco Nienaber (lost on 2nd play-off hole)
- The East of Ireland Amateur Open
Winner : Christo Lamprecht Jr (1st SA winner)
- British Amateur Championship Qualifier
Winner: Wilco Nienaber
- British Amateur Championship
Winner: Jovan Rebula

Jovan's triumph in the British Amateur Championship represents a first in 52 years that a South African has won the Championship, the last being Bobby Cole in 1966.

The goals of the GolfRSA national squad are being achieved and I would like to take this opportunity to thank Mr Johann Rupert for his patronage of the GolfRSA National Squad, without whom the above achievements would probably not have been realised.

Eisenhower Trophy - Ireland September 2018

The World Amateur Teams Championship (the Eisenhower trophy) was held in Carton House, Maynooth, Ireland in September 2018. The team, consisting of Jovan Rebula, Matt Saulez and Wilco Nienaber, was one of the strongest assembled in a while and it was felt that we had a good chance of being on the podium this year.

Unfortunately, the day before the start of the championship we lost our number one player Jovan Rebula to a back injury. GolfRSA had to fly Malcolm Mitchell as the reserve in a mad inter-continental dash to get him on the first tee on time, which was achieved but with only one hour to spare.

He played the first round but because of the rigours of arduous long-haul travel, lack of sleep, the lack of time to acclimatise and not having a practice round, shot 78 on the difficult Montgomery course under the most stressful amateur golf tournament conditions.

Earlier that morning on the London to Dublin flight , an adjacent passenger had vomited on Malcolm, who by that evening was himself severely ill. Malcolm was treated by the event doctor but could not play the

second round. He was still shaking uncontrollably when he teed off in the third round. By the fourth round he had mostly recovered.

Trying to compete against the best in the world with a full and fit team available for only 25% of the tournament is difficult to say the least. The team's demeanour and behaviour was exemplary throughout the tournament despite the challenges they faced; their example elicited many compliments and garnered much respect from other federations and the International Golf Federation. They should be given credit for what they achieved and how they battled on positively in the face of adversity!

Stakeholder relationships

There is no doubt that the relationships between the SAGA, the golf unions, the golf clubs and the affiliated golfers has improved significantly due to the efforts of GolfRSA.

Role-player Relationships

our relationships with external role players have increased tremendously in the past three years, specifically, our ties on with the Sunshine Tour, the PGA of South Africa, Club Managers Association of South Africa, and of course the Nomads, has improved dramatically, mostly thanks to the efforts of Grant Hepburn.

The SA Open: 2018 and 2018/2019 Editions

The 2018 edition of the SA Open was held at Glendower Golf Club in January 2018. Apart from the 5 amateurs exempt from qualifying for the tournament, nominated by the SAGA, another 2 amateurs qualified through the professional golfers qualifying tournaments. Of the 7 amateurs who started the tournament, 3 amateurs survived the cut with Kyle McClatchie being presented with the Freddie Tait Trophy as the low amateur of the tournament. Kyle finished a highly commended T-15th overall in the field of season professionals.

Due to the late loss of sponsors, the Sunshine Tour managed to salvage the 2019 edition by implanting it in the slot that was previously occupied by the Johannesburg Open. The 2019 edition of the SA Open, held in December 2018, also had 7 amateurs starting the tournament of which 4 made the cut with Jovan Rebula collecting the Freddie Tait Trophy at the end of the tournament for finishing as the low amateur. Overall, Jovan finished T-24th on 6 under par - a commendable performance indeed.

SAGA Affiliated Membership Figures

The number of affiliated members continues to be increased by between 2.5% and 3.5% each year, consistently since we started using HNA data to

analyse number of members and the rounds played. 2018 was no different to the trend.

What has been identified is that the golf clubs of just three provincial unions, Gauteng North, Ekuhuleni and Central Gauteng golf unions, all neighbours of each other in a relatively small area, account for close to 80% of the losses in the last 5 years. This phenomenon has been identified and GolfRSA has been requested to analyse root cause of the losses and come up with promotions or campaigns to get the golfers in this area golfing again

Affiliated Golfer Retention Strategies

Using the age-old adage that it is easier and more worthwhile to retain a current affiliated member than to try one of a new one over, GolfRSA is actively working on retention strategies to help to stem losses from the game.

A tournament such as the “Champion of Champions” is a key building block in the development of such retention strategies.

GolfRSA has been engaged in a lot of background work in 2018 that will manifest itself in 2019.

International Tests

The return test match against India for the Mid-Amateur and Senior Amateur teams was this year held in Delhi, India in November 2018. Team South Africa won both the Senior Amateur and the Mid-Amateur test matches. So South Africa is now won all 3 encounters of the Fellowship Cup.

It has been agreed between South Africa and India that, due to costs, the Fellowship Cup test matches will only be held every second year. The next encounter 2020 shall be in South Africa,

SAGA and GolfRSA extend their thanks to Mr Dilip Thomas of the India Golf Union for all he has done to make the Fellowship Cup test match series happen.

Sponsors and Benefactors

On behalf of the National Executive Committee I wish to extend my gratitude and thanks to all our sponsors and benefactors who continue to assist with the promotion, growth and development of amateur golf in this country. These include Titleist, Sanlam, Tempest Car Hire, Srixon, Tsogo Sun, Antonij Rupert wines and AON.

The Nomads organization is a vital cog in the golf milieu and their dedication to raising funds for junior golf is unsurpassed. Nomads, we salute you!

Our gratitude is expressed to Mr Mike McGrath of HNA and to Mr Johann Rupert who have the interests of amateur golf at heart.

Acknowledgement of Our Predecessors

On behalf of the SAGA, I express a deep gratitude to all those who have gone before us and dedicated their time and resources on a voluntary basis to build the SAGA over the past century to what it is today. A great deal of honorary work has been experienced over the past century.

Thank you to all those great contributors, volunteers and of course players who have all played a part in building SAGA's excellence.

Words of Thanks

More recently, I must thank those who realised the need for the creation of GolfRSA, who had supported the concept from its inception and who had faith in the leadership to deliver a better way of managing and growing amateur golf.

To Hennie Russouw, our stalwart auditors and to HNA, our professional handicap system partners, well done on providing great service and thank you!

I must express my gratitude to the staff of GolfRSA. Their passion for amateur golf is incredible, yielding a commitment to the game, the players, the tournaments, the events that is unsurpassed in any other industry I have seen. Take a bow, Eden, Neil, David, Clinton, Greg, Priscilla, Hilary, Ingrid, Brendan, Lali and of course, Bruce.

I wish to express a deep gratitude to each member of the SAGA National Executive Committee, and to each office bearer and president with whom I have worked over the years.

I must thank the members of the Board of Directors of GolfRSA for the invaluable time which they give voluntarily to help grow this wonderful game. Mr Johann Rupert does more for golf than most golfers are aware. Thank you, the ladies and gentlemen of the board of directors of GolfRSA.

Naadir Agherdien and I have come a long road together, from the early days of WPGU and I wish to thank him for all the support he has lent me over that time. I know that Naadir will take this organisation from strength to strength and I wish him well in his tenure over the next two years.

I also wish to say a very big thank you to Grant Hepburn for sharing the vision of GolfRSA, his support and his patience in dealing with complex relations in a complex environment that is the SAGA. Under his

leadership GolfRSA will no doubt also go from strength to strength.

It has been a privilege serving amateur golf in South Africa for the past 22 years, particularly serving the South African Golf Association (SAGA) the last 8 years of those 22 years, and it has indeed been a real honour for me to preside as the President of this esteemed organisation the last 3 of the past 8 years.

I do believe that, with the help and support of everybody involved, the organisation is in a better place than when I joined it, and that the building blocks for a far more exciting and dynamic, more robust and more resilient future are in place for future generations to build upon and enjoy.

Good luck and good golf.